PHILIP MORRIS COMPANIES INC. **INTER-OFFICE CORRESPONDENCE**

120 PARK AVENUE, NEW YORK, N.Y. 10017

PRIVILEGED AND CONFIDENTIAL

To: Michael A. Miles **Date:** April 26, 1993

From: Murray H. Bring

Subject: Q AND A BOOK

I have re-read the Q and A Book over the weekend and I think it is in pretty good shape. There are a few points that I would change:

Last Minute Q and A's - PM Corporate - Question 2

I think the answer to the question "Why has the Company stopped buying stock?" should be identical to what Hans says in the script, i.e., that we have discontinued share repurchases, but that we have $1.2 billion of authorized funds still available, and that we will use them as circumstances warrant.

Last Minute Q and A's - PM USA - Question 23, Page 8

This is the identical question that appears on Page 13, Question 37. I believe that the answer appearing on Page 13 is the appropriate one, and not the answer on Page 8.

Shareholder Issues - Acquisitions and Divestitures - Question 2

In response to the question "Why not spin food off? Beer?", I think we should delete the last sentence ("We think our diversification into food and beer has been successful.") I would stick with the first sentence, "We see no reason to do so."

Shareholder Issues - Advertising and Promotion - Question 15 - Page 9

The suggested answer does not indicate in which country we had negotiations with the Health Minister. That country is Belgium.

Shareholder Issues - Advertising and Promotion - Question 18 - Pages 10 and 11

I think that the new bullet point added on Page 11 is not phrased as well as the same point made previously under Business Issues - Tobacco Operations - Page 13 - Question 11. I would use the earlier formulation.

Shareholder Issues - Executive Compensation - Question 1 - Page 13

With respect to the acceleration of incentive award payments, I do not think we can say that the payments were not made in anticipation of higher federal tax rates this year, as the first bullet point suggests. In fact, the third bullet point indicates that we did accelerate part of the payment for tax reasons.

2023003703

RECEIVED

APR 26 1993

MICHAEL A. MI

Source: https://www.industrydocuments.ucsf.edu/docs/hqkm0000

Shareholder Issues - Health - Tobacco - Question 1 - Page 1

I think that the answer to this question should start with the following statement:

> "We cannot comment on any pending grand jury investigation. However, since the existence of this investigation has been discussed in the press, I can say that we think the investigation was triggered by a recent opinion of New Jersey Federal Judge H. Lee Sarokin, in which he asserted that the industry and its lawyers may have fraudulently misled the public about the health effects of cigarette smoking."

I would then pick up with the second and third bullet points.

Shareholder Issues - Health - Question 6 - Page 8

I would change the opening phrase of the first bullet point to read that "nearly one-third of adult Americans smoke".

Business Issues - Tobacco Operations - Question 6 - Page 3

I would avoid a direct response to the question whether our current strategy constitutes a price war. I think we should simply use the second bullet point, which is that this is an effort to make Marlboro's price more affordable.

cc: D. T. Bartlett

2023003704

Source: https://www.industrydocuments.ucsf.edu/docs/hqkm0000